



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2015 TMOB 87
Date of Decision: 2015-05-12

**IN THE MATTER OF AN OPPOSITION
Bestbuy Distributors Limited to
application No. 1,463,264 for the trade-
mark BEST IN AUTO in the name of
L.O.F., Inc.**

Introduction

[1] This opposition relates to an application filed on December 17, 2009 by L.O.F., Inc (the Applicant) to register the trade-mark BEST IN AUTO (the Mark).

[2] The application as amended on April 15, 2014, with the Registrar's permission, covers the following services:

Distributorship services by way of the Internet, mail order, catalog and telephone sales, in the field of vehicle accessories, namely, automotive, car, SUV, and truck accessories (the Services).

[3] The application is based on use and registration abroad, namely in the United States of America and on proposed use in Canada.

[4] The application was advertised on October 6, 2010 in the *Trade-marks Journal*. Bestbuy Distributors Limited (the Opponent) filed a statement of opposition on March 2, 2011, which has been amended since then with leave of the Registrar.

[5] The grounds of opposition raised by the Opponent in its amended statement of opposition dated March 3rd, 2011 are based on sections 30(i), 12(1)(d), 16(3)(a), 16(2)(a) and section 2 (distinctiveness) of the *Trade-Marks Act* RSC 1985 c. T-13 (the Act). The specific grounds of opposition are detailed in Annex A to this decision. The Applicant denied the grounds of opposition in a counter statement filed on April 19, 2011.

[6] The Opponent filed as its evidence the affidavit of Jim McManus (McManus 1) and he was cross-examined on such affidavit. The transcript is part of the record. The Applicant filed the affidavit of Lisa Saltzman.

[7] Shortly before the hearing originally scheduled for April 15, 2014 the Applicant filed a revised application that led to the list of Services as described above. The Opponent requested leave to file additional evidence. The hearing was therefore postponed. By decision rendered on April 15, 2014 the Registrar granted leave to the Opponent to file additional evidence subject to certain conditions and restrictions.

[8] The Opponent's additional evidence consists of a second affidavit of Jim McManus (McManus 2). He was also cross-examined on his second affidavit and the transcript is part of the record.

[9] On October 29, 2014 the Opponent sought leave to further amend its statement of opposition. By decision dated December 4, 2014 the Registrar refused that request.

[10] Both parties filed written arguments and were represented at the hearing held on January 29, 2015.

[11] For the reasons detailed hereinafter, I conclude that the application ought to be refused.

Preliminary remarks

[12] I wish to point out that in reaching my decision I have considered all the evidence in the file but I will refer in my reasons for this decision only to the relevant portions of the evidence.

[13] I note that the Registrar, acting through Member Céline Tremblay, rendered a decision on July 8, 2013 in a section 45 proceeding involving registration TMA469,062 [see *LOF, Inc v*

Bestbuy Distributors Limited, 2013 TMOB 120] alleged by the Opponent in support of its ground of opposition under section 12(1)(d) of the Act maintaining the registration. Not surprisingly, the parties have different views on the scope of that decision and the possible effect on the matters to be decided in this file.

[14] I will address the parties' arguments with respect to this decision later on.

Legal Onus and Burden of Proof

[15] The legal onus is on the Applicant to show that the application does not contravene the provisions of the Act as alleged in the statement of opposition. This means that if a determinate conclusion cannot be reached in favour of the Applicant once all the evidence is in, then the issue must be decided against the Applicant. However, there is also an evidential burden on the Opponent to prove the facts inherent to its pleadings. The presence of an evidential burden on the Opponent means that in order for a ground of opposition to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); *Joseph E Seagram & Sons Ltd et al v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 (TMOB); *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA) and *Wrangler Apparel Corp v The Timberland Company* (2005), 41 CPR (4th) 223 (FC)].

Ground of opposition based on section 30(i) of the Act

[16] Section 30(i) of the Act only requires an applicant to declare itself satisfied that it is entitled to use the mark applied for in Canada in association with the services described in the application. Such a statement is included in the present application. An opponent may rely on section 30(i) in specific cases such as where bad faith on the part of the applicant is alleged [see *Sapodilla Co Ltd v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB)]. There is no allegation of that nature in the statement of opposition or any evidence in the record to that effect. Consequently, this ground of opposition is dismissed.

Grounds of opposition based on prior use of the Opponent's trade-marks

[17] The grounds of opposition based on sections 16(2)(a) and 16(3)(a) are all based on the allegation that the Mark, when used in association with the Services, is likely to cause confusion with the Opponent's trade-marks BEST AUTO and BEST AUTO Design previously used or made known in Canada since at least as early as 1994 in association with:

Automotive parts namely replacement parts for all parts of automotive vehicles; operation of outlets for the sale of automotive parts; retail sales of automotive parts (the Opponent's goods and services).

[18] The trade-mark BEST AUTO Design is illustrated below:



[19] As it appears from the evidence, the Opponent has been using the following trade-mark since 2003 (BEST AUTO & maple leaf design):



[20] The Applicant suggests that the use of the trade-mark BEST AUTO & maple leaf design does not constitute use of the trade-mark BEST AUTO Design. As shown by the following excerpt, that issue has been dealt in *LOF, Inc, supra*:

I wish to add that even if Bestbuy had only provided evidence of use of the modernized Mark during the relevant period, I would still have decided this issue in its favour. Indeed, I do not consider the modernized Mark to be a substantial deviation from the Mark as registered. Looking at the modernized Mark, I am satisfied that the dominant and essential feature of the Mark has been maintained; the Mark did not lose its identity and remained recognizable [*Canada (Registrar of Trade-marks) v Compagnie Internationale pour l'informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA); *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)]. Lastly, the addition of a partial maple leaf, including with

“TIER I” superimposed on it, is not likely to mislead, deceive, or injure the public in any way [*Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB)].

[21] The Applicant argues that section 45 and opposition proceedings differ in their nature, purpose and process. Moreover in section 45, the threshold of the registered owner’s legal burden is lower than the one it faces as an opponent in an opposition. The Applicant submits that the registered owner (the Opponent in this case) may have filed enough evidence to meet the low threshold in the section 45 proceeding, but such evidence is not necessarily sufficient to meet the Opponent’s initial burden in this proceeding.

[22] I do not see why the finding quoted above would not be applicable in this opposition. The Registrar’s conclusion that the use of the trade-mark BEST AUTO & maple leaf design constituted use of the trade-mark BEST AUTO Design was a conclusion of law that is applicable to this proceeding.

[23] As I consider the use of the trade-mark BEST AUTO & maple leaf design constitutes use of the trade-mark BEST AUTO Design, I will no longer distinguish them and will simply refer to the BEST AUTO Design trade-mark.

[24] One final note: I consider the use of the trade mark BEST AUTO Design to be use of the word mark BEST AUTO [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)].

The relevant date

[25] Those grounds of opposition must be assessed at the filing date of the application (December 17, 2009) [see section 16(2) and (3) of the Act].

[26] I must determine if the Opponent has met its initial burden of proof namely, that it has used and/or made known in Canada its trade-marks BEST AUTO and BEST AUTO Design in association with the Opponent’s goods and services prior to the relevant date identified above. Also, such use must not have been abandoned at the date of advertisement of the Applicant’s application (October 6, 2010) [see section 16(5) of the Act].

[27] I will now describe the content of the McManus 1 affidavit and thereafter I will do the same for the McManus 2 affidavit.

McManus 1 affidavit

[28] Mr. McManus is the Opponent's Vice President and has held such position since 2001. He describes the Opponent as a Canadian full-service, independent warehouse distributor of replacement parts for automotive vehicles. The Opponent distributes and sells such automotive parts to jobbers (its direct customers) who then sell them to installers (repair shops). He alleges that as the date of execution of his affidavit (August 26, 2011) the Opponent had a network of approximately 150 jobbers (who are also shareholders of the Opponent) across Canada.

[29] Mr. McManus states that continuously since at least 1994, the Opponent has been marketing to Canadian independent automotive service providers (automotive repair shops, service centers) its Best Auto flexible marketing program (Best Auto program). It enables these repair shops to remain independent while having the advantages of branding and affiliation with the Opponent.

[30] Mr. McManus filed as Exhibit B a non- exhaustive list of automobile parts distributed in the normal course of business by the Opponent in Canada in association with the trade-mark BEST AUTO Design. However, as acknowledged during his cross-examination, the trade-mark BEST AUTO is not affixed on any products related to auto parts.

[31] Mr. McManus alleges that the Opponent, as of the date of execution of his affidavit (August 26, 2011), had approximately 300 installers and independent repair shops across Canada enrolled in the Best Auto program. He filed a copy of the cover page of a promotional brochure for the Best Auto program, advertising to installers and repair shop owners the advantages of joining the program. The BEST AUTO Design trade-mark is prominently displayed on such brochure that has been distributed in Canada since at least 1994.

[32] Mr. McManus explains that as part of the Best Auto program, the Opponent sells, in association with the BEST AUTO Design trade-mark, replacement automotive parts and warranty services to its jobbers (affiliated intermediaries). They in turn supply these parts to installers

enrolled in the Best Auto program, who then sell such parts to retail customers or install them in the cars brought in for repairs by their retail customers. As part of the program, and in association with the BEST AUTO Design trade-mark, Mr. McManus alleges that the installers also offer the Best Auto warranty on the parts and services provided to their retail customers. Along every step in this distribution chain, the BEST AUTO Design trade-mark is associated with the parts and services marketed by the Opponent under the Best Auto program.

[33] Mr. McManus states that the Opponent exercises a strict control over the quality of the goods sold or installed by any third party distributor or installer in association with the BEST AUTO Design trade-mark because only parts supplied by the Opponent qualify for inclusion in the Best Auto program and the Best Auto warranty coverage. He further states that third parties that operate retail outlets and sell automotive parts and provide installation services to the public in association with the BEST AUTO Design trade-mark, must comply with the service standards imposed and enforced by the Opponent as a pre-condition to gaining and maintaining membership in the Best Auto program.

[34] Mr. McManus asserts that the Opponent sells as part of the Best Auto program "Best Auto Starter Kits" to its jobbers and also charges a monthly fee for the services provided. The jobbers in turn sell Best Auto starter kits and charge a monthly fee to installers enrolled in the Best Auto program. He filed a copy of the cover of a promotional brochure that describes the contents of a Best Auto Starter Kit. It bears the BEST AUTO Design trade-mark. Such brochures have been distributed by the Opponent to its customers and potential customers in Canada since at least 1994.

[35] Mr. McManus also filed as Exhibit E a collage of pictures of promotional materials included in the Best Auto Starter Kit and a picture of an actual and typical use of such materials in Canada on the store-front of a repair shop enrolled in the Best Auto program. He states that it is representative of the use of the BEST AUTO Design trade-mark by the Opponent in Canada since at least 1994.

[36] Mr. McManus affirms that a repair shop participating in the Best Auto program retains its independent operation and its own name. At the same time, participating repair shops are co-branded with the trade-mark BEST AUTO Design, with the Opponent's permission, and become

retailers of products supplied by the Opponent and of services authorized by the Opponent in association with the BEST AUTO Design trade-mark.

[37] To establish use of the Opponent's trade-mark BEST AUTO Design in association with the Opponent's goods and services Mr. McManus describes the following chain of events:

- the store front of the repair shop displays the BEST AUTO Design trade-mark (as seen in Exhibit E);
- the installer wears a sweatshirt or a shirt displaying the BEST AUTO Design trade-mark (as seen in Exhibits D and E);
- the window of the repair shop displays a decal with the BEST AUTO Design trade-mark preceded by the words "Authorized Distributor For" and followed by the words "Auto Parts" (a specimen of such window decal is shown in Exhibit E);
- the window of the repair shop displays a decal with the BEST AUTO Design trade-mark preceded or followed by the words "Authorized Service Centre" (specimens of such window decals are part of Exhibit D);
- the receipt or invoice for the purchase is handed to the customer in a "receipt wallet" bearing the BEST AUTO Design trade-mark (as seen in Exhibits D and E);
- the customer is given a warranty booklet titled "Best Auto National Guarantee" (seen in Exhibits D and E) which displays at the top the BEST AUTO Design trade-mark; the installer also explains to the customer the terms of the warranty document, especially the fact that the warranty on parts and labour is honoured from coast to coast at any of the approximately 300 Canadian repair shops enrolled in the Best Auto program;
- for recurring service events (such as oil changes) and for those auto parts that require inspection or replacement according to a schedule, a "Next service due reminder label" bearing the BEST AUTO Design trade-mark is placed in a conspicuous place on the customer's car (a specimen of such Oil Change labels is shown in Exhibit D).

[38] Mr. McManus filed as Exhibit F a copy of a promotional brochure that describes the content of the 'TIER 1' Best Auto Starter Kit, which is sold by the Opponent as an enhanced program of the Best Auto Starter Kit, which also bears the BEST AUTO Design trade-mark. He states that such brochures have been distributed by the Opponent since at least 1994.

[39] Mr. McManus alleges that the Opponent has sold in Canada numerous starter kits to installers enrolled in the Best Auto program since at least 1994 and he filed as Exhibit G a copy of

an invoice dated January 20, 2010 to support such contention. He explains that while the invoice shown in Exhibit G displays (at the top of the page) the trade-name and the logo of the Opponent (rather than the BEST AUTO Design trade-mark) the code "BAP" entered in the column "Line Code", and the code "French Starter" entered in the column "Product Description" signify that the product invoiced and shipped to "G.C.M. Piece D'Auto" is the French language version of a Best Auto Starter Kit as depicted in Exhibit D referred above, containing numerous items that display the BEST AUTO Design trade-mark.

[40] Mr. McManus filed as Exhibit H a copy of the French language warranty booklet for the Best Auto program which displays at the top the trade-mark BEST AUTO Design. Such warranty document is included in the French language version of the Opponent's Best Auto Starter Kit.

[41] Mr. McManus affirms that the Opponent also owns the Canadian domain name *www.bestautosolution.ca* where it hosts the public website of the Best Auto program. On this website, the trade-mark BEST AUTO Design is displayed prominently at the top of each page, and has been so displayed since at least 2007. Attached to his affidavit as Exhibit I are printouts of pages from that website.

[42] Mr. McManus asserts that the Opponent uses the *www.bestautosolution.ca* website as an important marketing and promotion tool for its Best Auto program. On that website, retail customers can use the "Shop Locator" tool to find a Best Auto affiliate service centre by province, while installers interested in enrolling in the Best Auto program can use the "Jobber Locator" tool to find their regional Bestbuy distributor (jobber) through which one can purchase a Best Auto membership and a Best Auto Starter Kit.

[43] Mr. McManus affirms that he is not aware of any other automotive parts being sold in Canada in association with a trade-mark that includes the words "Best Auto" and he is not aware of any outlets or retailers providing automotive parts related services in association with a trade-mark including the words "Best Auto".

[44] During his cross-examination Mr. McManus stated:

- the Opponent does not manufacture automotive parts (page 9);

- the Opponent only sells from its two distribution centres to automotive jobbers. Consumers at retail are not able to go directly to those distribution centres to purchase automotive parts (page 9);
- the BEST AUTO program is a marketing program in relation to the products and services that are sourced through the Opponent (page 31);
- the Opponent does not operate directly outlets under the trade-mark BEST AUTO (page 32);
- the BEST AUTO marketing program provides access to extensive training programs for installer customers in technical areas as well as general business, and it also provides promotional materials to the installers for them to use in marketing their business to the consumers (page 32). The installers are signed up with the jobbers (page 33) (see exhibit 1 and 2 to the cross-examination). These documents must be executed in order for installers to use the BEST AUTO trade-mark under license;
- the mark BEST AUTO is not on the parts themselves or their boxes (page 34);
- the mark BEST AUTO in association with parts appears on the guarantee (Exhibit H to McManus 1 affidavit) page 36;
- the invoice is placed in a wallet as shown in Exhibit E to the McManus 1 affidavit (page 37);
- the repair shop illustrated on Exhibit E to the McManus 1 affidavit joined the BEST AUTO program in 1995. The picture was taken between 1997 and 2001 (page 40 and answers to undertakings).

McManus 2 affidavit

[45] I will now summarize the content of the McManus 2 affidavit. Mr. McManus states:

- the Opponent offers its goods and services in association with its trade-mark BEST AUTO Design by way of the Internet, mail order, catalogue and telephone. At least 80% of the total dollar amount of the Opponent's goods and services which the Opponent have sold every year for at least the last 10 years is transacted through electronic channels;
- the Opponent has been promoting and offering its goods and services in association with its BEST AUTO Design trade-mark through the Internet via its *www.bestautosolution.ca* and *www.bestautoconnect.ca* websites since at least as 2007 and 2006 respectively to its automotive customers including jobbers, installers, and the general public;

- Exhibits C and D are webpage printouts from the WayBackMachine of the *www.bestautosolution.ca* landing page and the ‘Why Best Auto’ page as archived in December 2008. They are representative of these pages since their creation;
- Exhibit E is a screenshot from *www.bestautosolution.ca* ‘Dedicated Suppliers’ webpage from July 2014 which is representative of that page since its creation;
- this website has always had since its inception a member-only section for installers and jobbers. It includes access to online training, discount programs, marketing flyers and promotional material, and labour warranty programs for installers which are part of the Best Auto program. The BEST AUTO Design trade-mark has always been prominently displayed on the members-only section since its creation.
- Exhibit F is a printout from the WayBackMachine of that website ‘members only login page’ as archived in December 2008. The page is representative of the appearance of the login page since creation. Exhibit G are printouts of webpages from the members-only section of that website from July 14, 2014 which are representative of the appearance of the members-only section since its creation. It shows the BEST AUTO Design mark;
- the website *www.bestautoconnect.ca* has always been and remains a channel through which current Opponent’s jobbers and installers can access Best Auto program products and services, including the Opponent’s goods using online ordering methods. That website provides each jobber and installer with a website portal to search, review, and order Best Auto program goods and services, including the Opponent’s goods through the Opponent’s online catalogue. The trade-mark BEST AUTO Design has always been prominently displayed on that website. Exhibit H is a printout of the landing page of this website which is representative of the landing page of this website since its creation. It provides an introduction to the Best Auto program, a login area, several links to affiliated web pages, and displays the BEST AUTO trade-mark;
- once logged in, installers and jobbers can directly access and order Best Auto program products and services through customized jobber portals on that website. Through the customized portals, installers and jobbers can browse or search, and order from the online catalogue of the Best Auto program products and services. When a part is searched, the catalogue displays all products that may meet the jobber’s specifications including an image of the part, the item number, brand name, price, stock status, alternative stock locations and the option to buy. The BEST AUTO Design trade-mark is and has always been prominently displayed on every webpage of each jobber’s customized portal;
- Exhibit I is a printout of search results generated on July 8, 2014 from The Young Automotive Professionals customized jobber portal at <http://young.bestautoconnect.ca>. Such printout is representative of search results that have been generated by all jobbers’ portals since 2007. It shows the BEST AUTO Design trade-mark;
- an installer can also order a part directly from the online catalogue without going through a jobber;

- if the installer orders a product of the Opponent that is not in the jobber's inventory, the jobber is notified and can order that product for the installer directly from the Opponent;
- the Opponent has allowed jobbers and installers to order the Opponent's Best Auto program goods by mail order, telephone and fax since at least as early as 1997;
- jobbers and installers can locate products using the Opponent's paper catalogue which lists some of the Best Auto program goods. Those paper catalogues are distributed to jobbers and installers every year. The BEST AUTO Design trade-mark is prominently displayed at least once on each of the Opponent's paper catalogue since 2010 and would have been seen by jobbers and installers when placing an order by mail, telephone, or fax;
- Exhibit J is a copy of the front page and page 12 of the Opponent's catalogue 2010/2011 which shows the BEST AUTO Design trade-mark. It is representative of the other Opponent's paper catalogues published since 2010;
- fax order forms may be generated by a jobber's inventory or ordering systems and accordingly would not display the BEST AUTO Design trade-mark. However the Opponent's name, fax number and the jobber's name are almost always displayed at the top of the fax order form or on a cover sheet. The jobber will refer to the specific Opponent's automotive part numbers in the fax by looking up the part number on the *www.bestautoconnect.ca* website or in the Opponent's paper catalogue. He alleges that fax orders based on paper catalogues have been used for ordering since prior to the introduction of the BEST AUTO Design in 1994 and those fax orders have been used since the websites became active;
- Exhibit K is a copy of a fax order dated July 3, 2014 sent by a jobber to the Opponent. It is representative of most fax orders that have been received by the Opponent from jobbers since prior to 1997;
- customers can also order other products from the Opponent by fax and he filed as Exhibit L a fax order form entitled 'Customer Communication Forms' displaying the BEST AUTO Design trade-mark and is representative of fax order forms used by the Opponent since 1999;
- the Opponent sends its BEST AUTO goods to jobbers and installers all over Canada by freight, mail and courier upon receiving an order. Once received jobbers typically send the products to their installers. The Opponent will send occasionally products directly to installers. He filed as Exhibit N copies of mail order invoices from DHL dated June 2005 for ground mail delivery of BEST AUTO kits and other automotive parts to numerous locations in Canada;
- Exhibit O are copies of mail order invoices from DHL dated June 2005 for air mail delivery.

[46] During his cross-examination most of the questioning was directed on the issue of use of the Opponent's trade-mark BEST AUTO Design as opposed to its BEST AUTO maple leaf design trade-mark. Since I already ruled on this issue those portions of the transcript are no longer relevant. However Mr. McManus did state:

- only the first page of the website *www.bestautoconnect.ca* is available to anyone. The rest is only available to installers or members or jobbers (page 46);
- the Opponent does not sell any products or provide any services to the general public (page 56);
- the Opponent does not have a retail outlet for the public (page 57);
- the *www.bestautoconnect.ca* website (see Exhibit F to McManus 2 affidavit) does not show the trade-mark BEST AUTO Design or BEST AUTO & maple leaf design. It shows only the word mark BEST AUTO (page 63).

Do the McManus 1 and McManus 2 affidavits provide evidence of use of the Opponent's trade-marks and if so in association with which goods and/or services?

[47] There is no doubt that this exhaustive evidence constitutes evidence of use of the trade-marks BEST AUTO and BEST AUTO Design. However does it constitute use of those marks in association with: automotive parts namely replacement parts for all parts of automotive vehicles; operation of outlets for the sale of automotive parts; retail sales of automotive parts (the Opponent's goods and services)?

[48] For the reasons detailed hereinafter I do consider that the Opponent has established prior use of its trade-marks BEST AUTO and/or BEST AUTO Design in association with the Opponent's services only.

Use in association with goods as per section 4(1) of the Act

[49] The Applicant argues that, if there is any evidence of use of the trade-mark BEST AUTO Design, it is not in association with the goods as described in the statement of opposition (which description is identical to the description of the goods contained in the certificate of registration TMA469,062). The Applicant adds that Mr. MacManus admitted during his cross-examinations

that the Opponent does not manufacture automotive parts and the Opponent's marks are not on the parts themselves or their packaging.

[50] My colleague Céline Tremblay in *LOF Inc., supra*, had to determine if there was any evidence of use in association with the Opponent's registered goods. She came to the conclusion that the notice of association required by section 4(1) of the Act was given to the person to whom the property or possession of the goods were transferred. Such association, in the absence of evidence to the contrary, was derived from the fact that the mark BEST AUTO Design appeared on the receipt wallet and the warranty booklet remitted to the customer after repairs have been completed on the customer's motor vehicle [see *LOF Inc., supra*, at para 34].

[51] However, contrary to opposition proceedings, there is no opportunity for cross-examination in section 45 proceedings before the Registrar. Thus, Member Tremblay did not have the benefit of the admissions made by Mr. McManus during his cross-examinations. This is sufficient to distinguish the section 45 proceeding from the case before me.

[52] In this case, not only does the evidence show that the Opponent has not sold any goods in association with its trade-mark BEST AUTO Design, but Mr. McManus confirmed on cross-examination that the Opponent does not manufacture automobile parts; and the parts sold to the jobbers and their packaging do not bear the trade-mark BEST AUTO Design. If there is any association created by the appearance of that mark on the receipt wallet and a warranty document covering the parts sold and installed by the installers and the work they performed, it may be with respect to repair services as it will be discussed under the next heading.

[53] Accordingly, I conclude that the Opponent has not used its alleged trade-marks in association with the Opponent's goods within the meaning of section 4(1) of the Act.

[54] I still have to determine if there is evidence of use of the trade-mark BEST AUTO Design in association with the Opponent's services.

Use in association with services as per section 4(2) of the Act

[55] The Applicant argues that, if there is evidence of use of the trade-mark BEST AUTO and/or BEST AUTO Design in association with services, it is in association with the Best Auto

Program as defined above which does not correspond to the services described in the statement of opposition namely: operation of outlets for the sale of automotive parts and retail sales of automotive parts.

[56] In a nutshell the evidence of record shows that:

- the jobber buys automotive parts from the Opponent through the Best Auto Program;
- the jobber does install those automotive parts while providing repair services to customers;
- the trade-marks BEST AUTO and/or BEST AUTO Design are displayed on the jobbers' premises; on a warranty booklet and a receipt wallet handed in to the customers.

[57] Consequently, the jobbers do operate outlets and sell automotive parts; all these services being performed in association with the trade-mark BEST AUTO Design. It is possible for those jobbers to operate their businesses under more than one trade-mark [see *Groupe Procycle Inc v Chrysler Group LLC* 2010 FC 918 (CanLII)]. As such I conclude that there is evidence of use of the trade-mark BEST AUTO Design in association with the Opponent's services.

[58] The next issue becomes whether the use of the BEST AUTO Design trade-mark by the installers in association with the Opponent's services accrue to the benefit of the Opponent?

Deemed use by the Opponent under section 50(1) of the Act

[59] The Applicant submits that any use of the marks BEST AUTO and/or BEST AUTO Design does not accrue to the benefit of the Opponent as there is no evidence of a license agreement between the Opponent and the jobbers or installers.

[60] Mr. McManus does state in the McManus 1 affidavit that the Opponent exercises a strict control over the quality of the goods sold or installed by the installers. He adds that third parties that operate retail outlets and sell automotive parts and provides installation services to the public in association with the trade-mark BEST AUTO Design must comply with service standards imposed and enforced by the Opponent as a pre-condition to gaining and maintaining membership in the Best Auto program and permission to display such mark in their retail outlets.

[61] Furthermore, Mr. McManus explained during his first cross-examination that visits are made at various installers' locations and he filed as a reply to an undertaking a written report of inspection [see undertaking 3 to the first cross-examination and answer to Q 83]. Finally, a blank form of the Best Auto Program was filed as exhibit 1 to Mr. McManus first cross-examination. The terms and conditions that appear on the back of the form clearly state that the jobber may use the marks as long as it complies with the requirements as to the manner in which the marks are to be 'used on advertising and promotional materials, on signs and other displays, business stationary or otherwise'.

[62] The Opponent does not need to establish the existence of a written sub-license agreement between the jobbers and installers in order to satisfy the requirements of section 50(1) of the Act [see *Well's Dairy Inc v UL Canada Inc* (2000), 7 C.P.R. (4th) 77 (FCTD)], but must prove that some form of control over the quality of the goods and services exists. Such evidence is in the record. The evidence shows that parts are delivered by the Opponent to jobbers and sometimes directly to installers. In turn the jobbers deliver those parts to the installers. Only the parts delivered by the Opponent and installed by the authorized installers can be the subject of the Best Auto program. Finally the Opponent exercises some form of control over the quality of the repair services performed by the installers by visiting their premises from time to time.

[63] I am satisfied under these circumstances that any use of the trade-mark BEST AUTO Design in association with the Opponent's services (operation of outlets for the sale of automobile parts; retail sales of automobile parts) by jobbers or installers is deemed use of that mark by the Opponent under section 50 of the Act.

[64] Consequently the Opponent has met its initial burden under sections 16(2) and (3) of the Act in so far as the Opponent's services are concerned.

Likelihood of confusion

[65] Since I conclude that the Opponent has met its initial burden I now have to determine if there was any likelihood of confusion between the Opponent's trade-marks BEST AUTO and BEST AUTO Design or the Opponent's services on one hand and the Mark on the other hand, as of December 17, 2009.

[66] The test to determine the likelihood of confusion is set out in section 6(2) of the Act wherein it is stipulated that the use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would likely lead to the inference that the goods associated with those trade-marks are manufactured, sold or leased by the same person, whether or not the goods are of the same general class. The test under section 6(2) of the Act does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In making such assessment I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5): the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the goods or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them.

[67] Those criteria are not exhaustive and it is not necessary to give each one of them equal weight [see *Clorox Co v Sears Canada Inc* (1992), 41 CPR (3d) 483 (FCTD) and *Gainers Inc v Marchildon* (1996), 66 CPR (3d) 308 (FCTD)]. I also refer to the decisions of the Supreme Court of Canada in *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC) and *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 (SCC) where Mr. Justice Binnie commented on the assessment of the criteria enumerated under section 6(5) of the Act in the determination of the likelihood of confusion between two trade-marks.

Inherent distinctiveness of the trade-marks and the extent to which they have become known

[68] The Mark and the Opponent's trade-mark BEST AUTO are weak trade-marks when used in association with the parties' respective services. The trade-mark BEST AUTO Design is more inherently distinctive because of the presence of a design portion but I do not consider such design (two horizontal lines and the addition of half of a maple leaf) so highly distinctive to be a determining factor in this analysis.

[69] The degree of distinctiveness of a trade-mark may be enhanced through its use or promotion in Canada. I have no evidence of use of the Mark in the record.

[70] By comparison, there is evidence that the Opponent has used its trade-marks BEST AUTO and BEST AUTO Design in Canada. Still, I find it difficult to conclude on the extent to which these trade-marks have become known in Canada. as of the relevant date, namely December 17, 2009. Indeed, while Mr. McManus has stated that, as of the date of his affidavit (August 26, 2011) there were 150 jobbers and 300 installers, I do not have the exact number of locations at the relevant date. Also, there is no reference to sales figures of the Opponent in association with the Opponent's services at any time whatsoever.

[71] Consequently I conclude that the Opponent's trade-marks BEST AUTO and BEST AUTO Design were more known than the Mark, but such conclusion is not determinative of the issue of likelihood of confusion, given that it is impossible to determine the extent to which the mark BEST AUTO Design was known in Canada.

The length of time the trade-marks have been in use

[72] The evidence shows that the Opponent has been using its trade-marks BEST AUTO and BEST AUTO Design since 1994. This factor favours the Opponent.

The nature of the services or business; the nature of the trade

[73] I agree with the Opponent that the nature of the Services is essentially identical to the Opponent's services described above. The addition of 'by way of the Internet, mail order, catalog and telephone sales' in the description of the Services serves only to limit the medium used for the sale of motor vehicle accessories. As detailed above, the evidence in the record shows that the Opponent has made use of the Internet as a medium to receive orders from its licensees for the purchase of automobile parts. To that effect, I refer more specifically to paragraphs 6 and 19 to the McManus 2 affidavit. Consequently there is some overlap in the channels of trade.

[74] These factors favour the Opponent.

Degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them

[75] As stated by the Supreme Court of Canada in *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 96 CPR (4th) 361 (SCC), in the majority of cases, the degree of resemblance between the marks in issue is the most important factor.

[76] The first component of a trade-mark is, generally speaking, the most important part of a trade-mark for the purpose of distinguishing it from another trade-mark. However such general principle is much less determinative when the first component consists of a common word. Small differences in those cases are often sufficient to distinguish two trade-marks having identical or similar first component [see *Maximum Nutrition Ltd v Kellogg Salada Canada* (1992), 43 CPR (3d) 349 (FCA)].

[77] In the present case the first word of the parties' marks is identical. However such word is a common English laudatory word. The Opponent's trade-mark BEST AUTO Design has a design portion, but I do not consider such design to be a dominant feature. The Mark has the additional word 'in'. However, the Mark as a whole is suggestive when used in association with the Services. The idea suggested by the Mark is different than the one suggested by the Opponent's trade-marks BEST AUTO and BEST AUTO Design. The Opponent's trade-marks refer to "the best auto" while the Applicant's Mark suggests "what is the best in the automobile industry". The addition of the word 'in' between 'best' and 'auto' creates such distinction. Nonetheless, the dominant features of the marks in issue are the words 'BEST' and 'AUTO'. I do not believe that the addition of the word 'IN' is sufficient in itself to conclude that this factor favours the Applicant.

State of the Register

[78] Ms. Saltzman has been employed since July 1995 as director of trade-mark searching department with Onscope™ a division of Onscope Group Inc. Part of her responsibilities is to review and search files and records of CIPO and to conduct searches on Onscope™ Canadian Trade-marks database. She states that Onscope™ Database contains the identical information found in the CIPO database. She explains the various search fields available.

[79] She states that on August 16, 2012 the Applicant's agent requested a comprehensive search for the combination of the terms BEST and AUTO. She conducted such search on August 21, 2012. She filed as an exhibit the results.

[80] In its written argument the Applicant has furnished an analysis of the state of the register evidence filed through the affidavit of Ms. Saltzman. It refers to 12 citations including the parties' marks. Out of those twelve citations, only 3 were registered at the relevant date.

[81] State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace [see *Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD)]. Inferences about the state of the marketplace can only be drawn from state of the register evidence where a large number of relevant registrations have been located [see *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)].

[82] As for the common law search, it was performed after the relevant date and there is no information on the search results as to since when those trade names or corporate names have been in use in Canada.

[83] Therefore I do not consider the state of the register evidence and the common law searches to be a relevant factor under this ground of opposition.

Conclusion

[84] As mentioned in *Veuve Clicquot*, it is the first impression in the mind of a casual consumer somewhat in a hurry who has an "imperfect recollection" of the Opponent's trade-marks BEST AUTO Design and BEST AUTO, who sees the Mark in association with the Services, would he think that the Services emanates from the Opponent?

[85] Taking into consideration all of the relevant factors, I conclude, at best for the Applicant, that the probability of confusion between the parties' trade-marks is evenly balanced between a finding of confusion and a finding of no confusion. Since the burden is on the Applicant to demonstrate on a balance of probabilities that there was no likelihood of confusion, the Applicant has not met such burden. My conclusion is based on the fact that the addition of the word 'IN'

between 'BEST' and 'AUTO' is not sufficient in itself to eliminate any likelihood of confusion between the parties' marks, given that the dominant features of the marks in issue are the words 'BEST' and 'AUTO'. Moreover, both parties' services are identical and there is some overlap in their channels of trade.

[86] Consequently, the grounds of opposition based on section 16(2) and (3) are maintained.

Distinctiveness ground of opposition

[87] Under this ground of opposition the Opponent has the initial evidential burden to prove that its trade-marks BEST AUTO and BEST AUTO Design had become sufficiently known in Canada as of March 2, 2011, the filing date of the statement of opposition (the relevant date under this ground of opposition), so as to negate any distinctiveness of the Mark [*Bojangles' International LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FCTD)].

[88] The evidence of use of the Opponent's trade-marks BEST AUTO and BEST AUTO Design as described above does not enable me to conclude that either marks were known to a sufficient extent in Canada so as to negate any distinctiveness of the Mark. The absence of any sales records, the number of installers located in Canada and their location as of the relevant date prevent me to conclude in favour of the Opponent.

[89] Consequently I conclude that the Opponent has not met its initial burden and therefore I dismiss the non-distinctiveness ground of opposition raised under section 2 of the Act.

Ground of opposition based on section 12(1)(d) of the Act

[90] Mr. McManus filed a copy of Canadian Trade-mark registration TMA469,062 for the trade-mark BEST AUTO Design covering the Opponent's goods and services. I used the Registrar's discretion and checked the register. I confirm that the Opponent is the owner of such registration and it is extant. Consequently the Opponent has met its initial burden.

[91] The issue then becomes if the Mark is likely to cause confusion with the Opponent's registered trade-mark BEST AUTO Design when it is used in association with the Services.

[92] The analysis of the relevant factors that I did under the grounds of opposition based on sections 16(2) and (3) of the Act would equally apply to this ground of opposition except for the comments detailed below, given that such analysis is done at a later relevant date, namely the date of the Registrar's decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 at 424 (FCA)].

[93] Given that the McManus 1 affidavit was executed on August 26, 2011, thus within the relevant date, I can consider the fact that the Opponent had at a certain point in time a network of 150 jobbers and 300 installers in Canada. As such the Opponent's trade-mark BEST AUTO Design is more known than the Mark and as such the overall consideration of section 6(5)(a) of the Act favours the Opponent.

[94] As mentioned previously, in its written argument the Applicant has furnished an analysis of the state of the register evidence part of Ms. Salzman's affidavit. It refers to 12 citations including the parties' marks. In view of the later relevant date under this ground, 5 citations are relevant. However, one citation covers unrelated goods (pool accessories).

[95] Ms. Saltzman also searched the Federal names of corporation and businesses, NUANS database, and the Quebec enterprise Register to locate registered business names for the terms *BEST* & *AUTO*. That search was conducted on August 20, 2012 and therefore within the relevant date under this ground of opposition.

[96] The search results include 31 listings prefaced by the terms BEST AUTO. Moreover I counted more than a dozen of trade names or corporate names beginning with the word BEST and separated from AUTO by another word such as for example:

BEST DEAL AUTO

BEST VALUE AUTO

BEST IMPORT AUTO LTD

BEST RATE AUTO SALES

BEST CHOICE AUTO SALES

[97] Given the number of registrations on the register coupled with the results of the common law search I can infer that there is common use on the marketplace of trade-marks and trade names incorporating BEST and AUTO [see *Dollarama LP v J E Mondou Ltd* 2015 TMOB 63 (CanLII)]. This factor favours the Applicant.

[98] Applying the results of the analysis of the relevant factors to the ‘first impression’ test as described above, I conclude that the Applicant has met its burden to prove on a balance of probabilities that there is no likelihood of confusion at the date of my decision between the Mark and the Opponent’s registered trade-mark. The Opponent’s mark is weak. The combination of the state of the register and common law search results has the effect of tipping the balance in favour of the Applicant. It shows that the dominant portions of the Opponent’s registered trade-mark (the words ‘best’ and ‘auto’) are used in the trade and the additional element ‘in’ is sufficient to distinguish the Mark from BEST AUTO Design. As mentioned earlier, such evidence could not be considered under the ground of entitlement because of the earlier relevant date.

[99] Accordingly, I dismiss this ground of opposition.

Disposition

[100] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application, pursuant to section 38(8) of the Act.

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Annex A

1. The application does not comply with the requirements of section 30(i) of the *Trade-marks Act* RSC 1985, c T-13, (the Act) in that the Applicant cannot have been satisfied that it is entitled to use the Mark in Canada in association with the Services because it was confusing with the trade-marks BEST AUTO and BEST AUTO Design previously used in Canada by the Opponent and accordingly not distinctive of the Applicant;
2. The Mark is not registrable in view of section 12(1)(d) of the Act since the Mark is confusing with the Opponent's registered trade-mark BEST AUTO Design, certificate of registration TMA469,062 and used in association with automotive parts namely replacement parts of all parts of automotive vehicles; operation of outlets for the sale of automotive parts; retail sales of automotive parts;
3. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(3)(a) of the Act in that at the filing date of the application the Mark was confusing with the trade-marks mentioned above that had been previously used or made known in Canada by the Opponent since at least as early as 1994 in association with automotive parts namely replacement parts of all parts of automotive vehicles; operation of outlets for the sale of automotive parts; retail sales of automotive parts;
4. The Applicant is not the person entitled to the registration of the Mark pursuant to section 16(2)(a) of the Act in that at the filing date of the application the Mark was confusing with the trade-marks mentioned above that had been previously used or made known in Canada by the Opponent since at least as early as 1994 in association with automotive parts namely replacement parts of all parts of automotive vehicles; operation of outlets for the sale of automotive parts; retail sales of automotive parts;
5. Pursuant to section 38(2)(d) of the Act, the Mark is not distinctive of the Applicant because the Mark does not actually distinguish, nor is it adapted so to distinguish the Services from the goods and services of the Opponent sold and provided in association with the trade-marks BEST AUTO and BEST AUTO Design.